RESEARCH PLAN PROPOSAL

A COMPARATIVE ANALYSIS OF PURCHASE BEHAVIOUR OF ORGANISED AND UNORGANISED RETAIL CUSTOMERS IN RAJASTHAN

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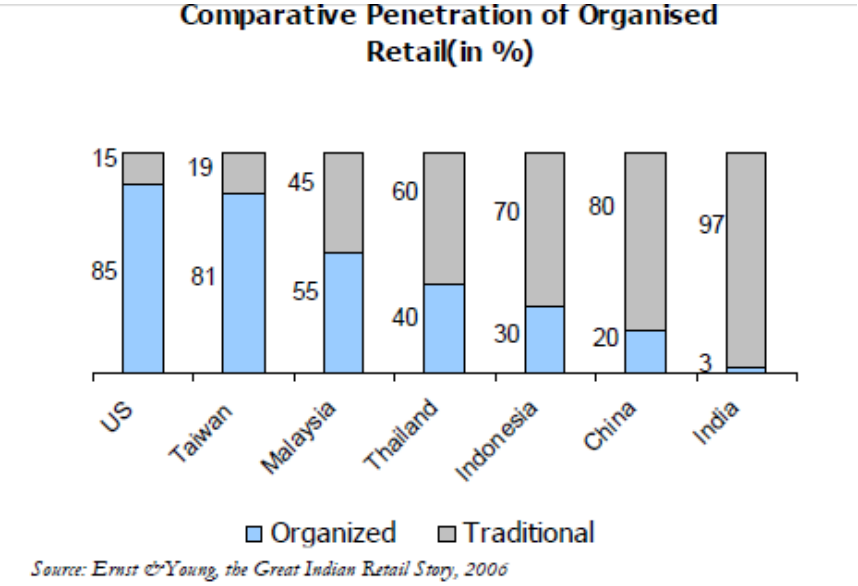
INTRODUCTION:

The whole concept of shopping has undergone sea change in terms of format and consumer buying behaviour, ushering in a revolution in shopping behaviour in India. Modern retail has entered India as evident from sprawling shopping centres, multi-storey malls and huge complexes that offer shopping, entertainment and food, all under one roof.

Indian population is witnessing a significant change in its demographics. A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing working women population and emerging opportunities in the services sector are going to be the key growth drivers of the organised retail sector in India.

The Indian retail industry has over 12 million outlets, which is the largest in the world. It has contributed over 10% to the GDP of the country and is estimated to have provided employment to over 18 million people, around 8% of the country's employment, being the largest employment providing sector after agriculture. Even with this large number of outlets, organised retail accounts for only 3% of the total retail market, opening huge growth potential in this segment.



Source: Ernst & Young, the Great Indian Retail Story, 2006

STATEMENT OF THE PROBLEM

For the last couple of years there has been a surge of reports in the Indian press on the growth prospects of retailing industry. Reports say that increasing consumer demand is the prime reason for such explosive growth in the retail sector. They further talk about factors like increasing population , building up Indian middle class and higher income echelons, steady economic growth, increase in disposable income, urbanization, credit availability and so on. But the true factor is the low penetration of organised retailing which has actually brought India to the forefront. Currently the share of organised retail is around 4% of the retail trade in the country making it underdeveloped when compared with the other emerging markets in Asia, Latin America and Eastern Europe. However this situation is likely to change in a matter of few years. Research report of Tata Strategic Management Group (TSMG) indicates that over the next 10 years, the total retail market in India is likely to grow at a compounded annual growth rate (CAGR) of 5.5%(at constant prices) with the organised retail market growing at a much faster pace of 21.8% thereby gaining about 15% of overall retail trade .This means that it is the organised retail sector, which is actually poised to grow in leaps and bounds. Here the question arises as to whether this would be at the cost of the unorganised sector or not. Many feel that local traders will not be affected as they have a niche position as corner stores.

REVIEW OF LITERATURE:

Though significant work has been done to study the impact of organized retailing on unorganized retailing at the national level, but not much has been studied in the State of Rajasthan, probably due to late entry of organized retailing in Rajasthan. Some related studies undertaken in the past and reviewed are:

- Lahiri, Isita and Samanta, Pradeep Kumar (2010), in their paper titled *Factors influencing purchase of apparels from organised retail outlets* mentioned that apparel takes a hefty share in organised retail because people are more quality conscious and comparitively less price sensitive. They also highlighted the distinct features of organised retail outlets like

discount offers, pick and choice etc., which are considered to be more appealing by the buyers.

- Banerjee, Mohua and Dasgupta, Rajib (2010),in their paper titled *Changing pattern of consumer behaviour in Kolkata with advent of large format retail outlets* revealed the acceptance of mall culture in the city along with the reasons for such acceptance.

- Gonigal, George (2010),in their paper titled *Organised retail drives Gurgaon real estate* mentioned that organised retail has been one of the key drivers of real estate development.

- Roy, Saumya (2008), in the article *Small stores and big-organised retail can co-exist for now* says that although organised retail will grow at a fast pace but unorganised retail will continue to grow alongside.
- Maheshwari, Sandeep (2010),in his paper titled *Do kirana stores have a future in retail landscape* focussed on the importance of kirana stores and said that it is the lifeline of an ordinary man.

- Sasikumar, K. and Sibicletus, Regina (2008), in their paper *Impact of Corporate retailing on small retail outlets* highlight that a large number of small retailers are being displaced, resulting in major social problems in the city of Cochin because of advent of Corporate retailing.

- Noronha, Mariam and Mulla, M.G. (2008), in their paper *Consumer perspectives on jewellery retail: A study of Pune city* present consumer perspective on jewellery retail, their views on design and price satisfaction, choice of outlets for purchase, future possibilities and so on.

- Daxini, Susmita (2008),in the article *Retail Food Sector in India* speaks about the expanding rate of food retail and also supports it by giving reasons like increasing rate of working women, growing urbanization, increasing purchasing power etc.

- Levy,Michael;Weitz, Barton A.and Pandit, Ajay, in their book titled *Retailing Management* have talked about the broad spectrum of retailing, critical issues in retailing, globalization of the retail industry, types of retailers, customer buying behaviour etc.

RELEVANCE OF THE STUDY

a. To the organised retailers

The market research will certainly be valuable and important for the organised retailers who will come to understand their customer needs better. The study will provide them with feedback from customers about the strengths, weaknesses, opportunities and threats of the organised retail. This will further help them to improve their services and competence.

b. To the unorganised retailers

The research will also be of great help to the unorganised retailers who will come to know the preferences of the people buying from them and the reasons why people don't buy from them. It will give them a clear overview regarding the buying pattern and preferences of the buyers in Rajasthan.

c. To the academicians, researchers and students

The research will prove informative for academicians, researchers and students interested in methods and procedures of consumer research especially knowing preferences of people, as regards purchases from organised sector or the unorganised sector in Rajasthan.

d. To the customers

The research will be of great help to the customers as well as they will come to know their mindset better and a lot of confusions that they have will also be solved in the process. Meanwhile they will also come to know about the various viewpoints of the other customers.

e. To the government

The study will be of immense help to the government. The study will provide an insight into the preferences of the buyers in Rajasthan and accordingly the government can take suitable measures to move ahead in the field of organised retailing.

OBJECTIVES OF THE STUDY

- To know the significance and limitations of organised retailing in Rajasthan.
- To know the significance and limitations of unorganised retailing in Rajasthan.
- To study the impact of organised retailing on unorganised retailing in Rajasthan.
- To study the different factors that affect a consumer behaviour with regards to buying from a organised retail outlet or unorganised retail outlet.
- To study the future prospects of organised retailing and unorganised retailing in Rajasthan.

HYPOTHESIS:

To meet the above mentioned objectives, following hypothesis shall be formulated and tested.

Central hypothesis

- Consumer behaviour with regards to buying from organised or unorganised retail is affected by personal, psychological, social, cultural, economic and technological factors.

SUB-HYPOTHESIS

1. Increasing pace of today's life has been affecting the lifestyle of buyers of Rajasthan.
2. Consumer choice as regards buying from organised or unorganised retail is affected by personal factors like lifestyle, education level, life cycle stage, income level etc.
3. Psychological factors like attitude, learning, beliefs and value system also affect the choice of buying from organised or unorganised retail.
4. Purchase decision is influenced by social factors like reference group, family members , social class a consumer belongs to.
5. Cultural factors like culture, sub-culture, role and status in the family and society affect buyer behaviour.
6. Economic factors like price effect, substitution effect and income effect play a vital role in purchase decision from organised retail or unorganised retail.
7. Technological and product related factors like product features, durability, guarantee etc. also help in deciding about the purchase from organised retail or the unorganised retail.

SCOPE OF THE STUDY

The present study is aimed at studying the consumer preference in buying from organised or unorganised retail in the State of Rajasthan. It encompasses studying the sales data, consumer satisfaction surveys etc. of the categories selected in the organised retail formats in the Rajasthan State. In organised retail formats we have Food retailers, General merchandise retailers, Non-store retailers and Service retailers. From each retail format two types of format will be picked and their subsequent impact on the unorganised retail will be studied. The primary data will be collected from buyers of organised retail and unorganised retail and the retailers themselves in the different districts of Rajasthan State. The respondents will be selected by stratified random sampling technique from a universe comprising of the following four strata :

a) Consumers of malls.
b) Consumers of unorganised retail outlets.
c) Organised retailers.
d) Unorganised retailers.

The study will be mainly based on the primary data. In order to supplement the information reference to secondary data available on the Internet will be made besides the published and unpublished materials like newsletters, books, papers, articles, journals, etc.

DATA COLLECTION AND RESEARCH DESIGN:

Primary data will be collected through personal one-to-one interview from the respondents by stratified random sampling technique. Primary data will also be collected through one to many chatting on Internet, via instant messenger technique and questionnaire. The sample size of 320 respondents will be taken as follows:-

Category	**Sample size (in nos.)**
Consumers of malls	150
Consumers of unorganised retail outlets	150
Organised retailers	10
Unorganised retailers	25

Secondary data will be collected from websites available on Internet, especially that of the organised and unorganised retail enterprises. Besides, the cyber forums also serve as source of secondary data, wherein the forum members provide the relevant secondary data available with them.

The research study is more of a behavioral study and so it is qualitative as well as quantitative in nature. However, quantification of the subjective data will be done using techniques like the rating scale technique. It will include a descriptive and exploratory research of the relationship between the purchase behavior of a buyer and the socio-cultural, economic, technological, personal, psychological and other factors around the consumer, which influence his/her purchase behavior.

DATA ANALYSIS

The present study will use various tools of analysis depending upon the nature, need and suitability of the data available to analyze and study the consumer psychology.

A regression and correlation analysis will be undertaken to analyze and identify the relationship between the dependent variable i.e. consumer behavior and the independent variable like individual income, social class, life cycle stage, personality type etc.

The data will be analyzed using various statistical techniques like tabulation, histograms, pie charts, measures of central tendencies etc.

LIMITATIONS:

The study may suffer from the common limitations of a subjective research. The quantification problem, imperfections of data and the intricacy involved in the statistical analysis are in a way inevitable in all such behavioral science researches.

Main source of data being the primary source of data, manipulation at the respondent's end cannot be averted. Effect of uncontrollable extraneous variables may also influence the respondents sub-consciously. The published and unpublished secondary data available on Internet has its own limitations, as many of them are the author's own views and not a generalized perception. Further, the respondents oftentimes do not portray a true picture and opinion.

The conclusions, therefore, are subject to aforesaid constraints and are only exploratory and suggestive in nature.

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CHAPTER SCHEME

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